

SESSION OF 2002

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR HOUSE BILL NO. 3017**

As Amended by House Committee of the Whole

Brief*

Sub. for HB 3017 would allow the Kansas Corporation Commission (KCC) to authorize an electric public utility to retain revenues from wholesale off-system sales of electricity generated from renewable power resources. Renewable resources include wind, solar, thermal, photovoltaic, biomass, hydropower, geothermal, waste incineration, and landfill gas located in Kansas.

Sub. for HB 3017 would allow, upon authorization by the KCC, an electric public utility to retain 65 percent of wholesale off-system electricity sales if the electricity was purchased at not less than the average price paid by the utility in contracts lasting five or more years. The bill would also permit retention of 50 percent of net revenues from all other wholesale off-system electricity sales, provided that its source is a renewable technology. Revenues would also be retained from sales of renewable attributes, which are tradeable energy or tradeable emission credits, or other market instruments originating from renewable energy sources.

Background

Sub. for HB 3017 was introduced by Representative Sloan. Proponents of the bill included a representative of Westar Energy, who testified that the bill would allow the sharing of risks between Westar and operators of renewable energy sources. Representatives from the KCC and the Citizens' Utility Ratepayer Board expressed concerns about the bill. One concern was that the bill's provisions may increase the hourly rate charged to the ratepayer. Another concern raised was

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/cgi-bin/fulltext/bills.cgi>

that the idea of sharing risks between electric utilities and renewable resource operators is not correct, because the ratepayer has already taken all the risk.

The House Committee of the Whole amended the bill to include renewable energy attributes.

There is no fiscal note for Sub. for HB 3017.